

Message Text

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PAGE 01 TOKYO 09047 171041Z
ACTION EA-09

INFO OCT-01 EUR-12 IO-13 ISO-00 AS-01 AGR-01 AID-05
CEA-01 CIAE-00 COME-00 EB-07 FRB-03 INR-07 NEA-10
NSAE-00 USIA-06 OPIC-03 SP-02 TRSE-00 LAB-04
EPG-02 SIL-01 OMB-01 PA-01 PRS-01 /091 W
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FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 8732
INFO AMEMBASSY PARIS
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USOECD
USEEC
USMTN

E.O. 11652: NA
TAGS: ETRD, EIND, JA
SUBJECT: PRESS REACTIONS TO BERGSTEN STATEMENTS ON STEEL

SUMMARY: LENGTHY PRESS REPORTS COVERING ASSISTANT
SEC. BERGSTEN'S JUNE 15 STATEMENTS ON JAPANESE STEEL
EXPORTS TO THE U.S. HAVE EMPHASIZED THE UNPRECEDENTED
PUBLIC EXPRESSION OF CONCERN OVER THIS ISSUE FROM A HIGH-
RANKING USG OFFICIAL. MITI CLAIMS TO BE SURPRISED BY
BERGSTEN'S REMARKS, WHILE THE JAPANESE STEEL INDUSTRY
HAS REPEATED ITS WILLINGNESS TO CARRY OUT VOLUNTARY
RESTRAINT MEASURES. WE WILL BE IN TOUCH WITH GOJ/INDUSTRY
SOURCES FOR FURTHER REACTIONS, AND WOULD APPRECIATE MORE
INFORMATION ON BERGSTEN'S STATEMENTS FROM THE DEPT.
END SUMMARY.

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PAGE 02 TOKYO 09047 171041Z

1. JUNE 16 AND 17 EDITIONS OF THE JAPANESE PRESS
CARRIED LENGTHY ARTICLES ON TREAS. ASST. SEC.
BERGSTEN'S STATEMENTS CONCERNING JAPAN'S STEEL EXPORTS
MADE AT THE 14TH JAPAN-U.S. BUSINESSMEN'S CONFERENCE.
FOR EXAMPLE, A PAGE ONE NIHON KEIZAI SHIMBUN REPORT
DESCRIBED BERGSTEN'S REMARKS AS STRESSING 1) CONCERN
THAT JAPAN'S STEEL EXPORTS TO THE U.S. HAD BEEN

GREATLY INCREASED BY THE JAPAN-EC RESTRAINT AGREEMENT AND 2) THE USG'S INTENTION TO INVESTIGATE THE EFFECT ON THE U.S. MARKET OF THE JAPANESE STEEL INDUSTRY'S "SPECIAL RELATIONSHIP" WITH THE GOJ. THE NIKKEI ARTICLE POINTED OUT THAT THIS IS THE FIRST TIME A HIGH-RANKING U.S. OFFICIAL HAS PUBLICLY BROUGHT UP THIS PROBLEM; IT SAID THAT BERGSTEN'S STATEMENTS "INDIRECTLY" REQUEST VOLUNTARY RESTRAINT ON THE PART OF JAPAN'S STEEL INDUSTRY, AND HAVE CLARIFIED HIS PLANS TO CONFER WITH JAPAN ABOUT IT.

2. PRESS REPORTS ALSO CARRIED INITIAL REACTIONS FROM MITI AND THE JAPANESE STEEL INDUSTRY. NIPPON STEEL EXPRESSED HOPE THAT THE GOJ WILL CONSULT WITH WASHINGTON TO FACILITATE VOLUNTARY RESTRAINT MEASURES ON THE PART OF THE JAPANESE INDUSTRY. MEANWHILE, MITI EXPRESSED "SURPRISE" AT BERGSTEN'S REMARKS, SAYING THAT THE U.S. GOVERNMENT HAS OPPOSED MEASURES THAT WOULD RESTRICT STEEL IMPORTS SINCE THESE TEND TO KEEP STEEL PRICES IN THE U.S. RELATIVELY LOW.

3. COMMENT: NIPPON STEEL'S STATEMENT IS PARTICULARLY INTERESTING SINCE INDUSTRY SOURCES AGREE THAT THIS CORPORATION IS PARTICULARLY SKEPTICAL OF A VRA WITH THE US -- THEIR REPS. HAVE REPEATEDLY CALLED OUR ATTENTION TO THE ANTI-TRUST SUIT THAT ENDED TH LAST JAPAN-US STEEL VRA IN 1974. HOWEVER, THE JAPANESE STEEL INDUSTRY MAY STILL FEEL THAT A USG-GOJ "UNDER-LIMITED OFFICIAL USE

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PAGE 03 TOKYO 09047 171041Z

STANDING" COULD BE WORKED OUT TO FEND OFF THIS THREAT TO A VRA, IN WHICH CASE THE INDUSTRY WOULD PREFER VOLUNTARY RESTRAINT TO A GOVERNMENT AGREEMENT. MITI'S REACTION MUST OBVIOUSLY NOT BE TAKEN LITERALLY, SINCE THEY ARE WELL AWARE THAT THE USG DOES NOT YET HAVE A UNIFIED VIEW ON HOW TO HANDLE THE STEEL ISSUE.

4. WE WILL BE IN TOUCH WITH THE GOJ AND THE STEEL INDUSTRY HERE AS THEY "STUDY" BERGSTEN'S STATEMENTS MORE CAREFULLY. IN THE MEANTIME, WE WOULD APPRECIATE DEPT. INFORMATION AND/OR GUIDANCE ON THESE REMARKS AND JAPANESE INQUIRIES CONCERNING THEM.
MANSFIELD

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, EXPORTS, STEELS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
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Executive Order: N/A
Errors: N/A
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Film Number: D770217-0126
Format: TEL
From: TOKYO
Handling Restrictions: n/a
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ISecure: 1
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